



Department of Motor Vehicles
TaxServices
P. O. Box 27422
Richmond, Virginia 23261-7422

MCS 101 (Rev. 07/00)

Motor Vehicle Rental Tax Return

- Please read the Instructions on the reverse side before preparing this return.
- Attach MCS-127 *Schedule of Additional Tax* for multiple locations.

LICENSE NUMBER (USE PREPRINTED LABEL)		REPORT FOR MONTH AND YEAR OF	
NAME OF BUSINESS		FEDERAL ID/EMPLOYER ID/SSN	
STREET ADDRESS	CITY	STATE	ZIP CODE
<input type="checkbox"/> COUNTY <input type="checkbox"/> CITY <input type="checkbox"/> TOWN OF _____		LOCALITY CODE	
A	B	C	
ITEMS	4% RENTAL TAX	4% ADDITIONAL TAX	
1. GROSS PROCEEDS ON MOTOR VEHICLE RENTALS FOR REPORTING PERIOD			
A. CREDIT FOR BAD DEBTS			
B. BAD DEBT RECOVERY			
C. ADJUSTED GROSS PROCEEDS (SUM OF LINE 1 AND 1B LESS 1A)			
2. EXEMPTIONS (SUPPORTING STATEMENT(S) REQUIRED)			
A. GOVERNMENT RENTALS			
B. RE-RENTALS			
C. TOTAL EXEMPTIONS (SUM OF LINE 2A AND 2B)			
3. NET TAXABLE PROCEEDS (LINE 1C LESS LINE 2C)			
4. TAX LIABILITY (RENTAL TAX – 4% OF LINE 3 COLUMN B, ADDITIONAL TAX – 4% OF LINE 3 COLUMN C)			
A. ADJUSTMENTS (DEBIT OR CREDIT)			
5. ADJUSTED TAX LIABILITY (SUM OR DIFFERENCE OF LINE 4 AND 4A)			
6. PENALTY ON LATE RETURNS – (SEE INSTRUCTIONS ON BACK)			
7. SUBTOTAL (SUM OF LINES 5 AND 6)			
8. INTEREST – 1 ½% PER MONTH ON TAX AND PENALTY (LINE 7)			
9. TOTAL LIABILITY (SUM OF LINES 7 AND 8)			
10. COMBINED TOTAL LIABILITY (SUM OF LINE 9, COLUMN B AND LINE 9, COLUMN C)	PAY THIS AMOUNT		
<input type="checkbox"/> OUT OF BUSINESS – FINAL RETURN (COMPLY WITH SECTION 24VAC20-100-520 OF THE VIRGINIA MOTOR VEHICLE RENTAL TAX RULES AND REGULATIONS)			
SIGNATURE		TITLE	
I DECLARE THAT THIS RETURN (INCLUDING ANY ACCOMPANYING SCHEDULES AND STATEMENTS) HAS BEEN EXAMINED BY ME AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IS A TRUE, CORRECT, AND COMPLETE RETURN.		TELEPHONE NUMBER	DATE

NOTE: ANY CREDIT IN ONE COLUMN CANNOT REDUCE THE AMOUNT DUE IN ANOTHER COLUMN.

INSTRUCTIONS

- 1. Gross Proceeds.** The gross proceeds during the reporting period from rentals of less than twelve (12) months are entered on Line 1. On Line 1, Column B (4% Rental Tax) enter the gross proceeds from the rental of any motor vehicle and/or trailer except mobile offices and motor vehicles or trailers with a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more. On Line 1, Column C (4% Additional Tax) enter the gross proceeds from the rental of any motor vehicle and or trailer except mobile offices, mobile homes, and motorcycles.
- 1A. Credit for Bad Debts.** Enter on Line 1A, Column B the total amount of bad debts on rental transactions subject to the 4% Rental Tax which have been charged off as worthless for federal income tax purposes during this reporting period. Enter on Line 1A, Column C the total amount of bad debts on rental transactions subject to the 4% Additional Tax which have been charged off as worthless for federal income tax purposes during this reporting period.
- 1B. Bad Debt Recovery.** Enter on Line 1B, Column B the amount of rental proceeds charged off on Line 1A, Column B of a previous return and subsequently collected by the renter during the current reporting period. Enter on Line 1B, Column C the amount of rental proceeds charged off on Line 1A, Column C of a previous return and subsequently collected by the renter during the current reporting period.
- 1C. Adjusted Gross Proceeds.** Enter on Line 1C the adjusted gross proceeds to be figured as follows:
 1. Deduct Line 1A from Line 1.
 2. Add Line 1B to the above.
- 2. Exemptions.**
 - 2A. Government Rentals.** Enter on Line 2A the tax exempt portion of your gross proceeds derived from any of the following:
 - The Federal Government or any of its agencies
 - The Commonwealth of Virginia or its political subdivisions (i.e., any town, city, or county)
 - Any volunteer fire department or rescue squad not operated for profit.
- 2B. Re-Rentals.** Enter on Line 2B that portion of your gross proceeds derived from rentals to another licensed rentor for the purpose of re-rental.
- 2C. Total Exemptions.** Enter on Line 2C the sum of Lines 2A and 2B.
- 3. Net Taxable Proceeds.** Enter on Line 3 the difference between Line 1C and Line 2C. This is the amount upon which the motor vehicle rental tax must be calculated.
- 4. Tax Liability.** Multiply the amount on Line 3, Column B by 4% (.04) and enter the result on Line 4, Column B. Multiply the amount on Line 3, Column C by 4% (.04) and enter the result on Line 4, Column C.
- 4A. Adjustments.** Enter on Line 4A any credit which is due from a previous reporting period (enter as a negative number) or any additional tax which is due from a previous reporting period (enter as a positive number).
- 5. Adjusted Tax Liability.** Enter the sum or difference (whichever is applicable) of Line 4 and 4A.
- 6. Penalty.** Any return and payment postmarked after the 20th of the month following the reporting period is delinquent. A penalty is imposed at the rate of 10% of the tax due or \$10.00, whichever is greater in both columns. Delinquent returns on which no tax is due are subject to the \$10.00 penalty. Enter all penalties due on Line 6.
- 7. Subtotal.** Enter on Line 7 the sum of Lines 5 and 6.
- 8. Interest.** Interest is charged on both tax and penalty (Line 7) on delinquent returns at the rate of 1 ½% per month or portion thereof. A month is measured from the 21st day of the month in which the tax is due to the 21st day of subsequent months. Enter all interest due on Line 8. **Note: Interest is not applicable on delinquent returns that have no tax liability.**
- 9. Total Liability.** Enter on Line 9 the sum of Lines 7 and 8.
- 10. Combined Total Liability.** Enter on Line 10 the sum of Line 9, Column B and Line 9, Column C.

SUPPLEMENTAL INSTRUCTIONS

1. Retain a copy of this return and schedules as an essential part of your tax records for four (4) years.
2. Reporting Period – Unless an extension of time, for good cause, is requested in writing, the return must be postmarked and payment of tax made on or before the twentieth (20th) day of the month following the reporting period.
3. This form is required to be filed for each month, even if no rental transactions occurred during that particular month. A *Schedule of Additional Tax* (MCS-127) is not required to be filed with a zero return.
4. For businesses located in two or more localities, a *Schedule of Additional Tax* (MCS-127) must be submitted with this form.
5. If you have sold your company or are no longer in the rental business, please be sure to check the “Out of Business” box at the bottom of the front side of this form.